



KVC Health Systems



2015 Annual Report

people matter

Dear Friends,

Achieving KVC's vision requires hard work and enormous heart: We seek to stabilize and strengthen families that are struggling, to protect and heal children who have experienced abuse and neglect, and to show those who feel overwhelmed that their lives matter and they can and will overcome.

In your hands is evidence that we are fulfilling that vision. Last year, we kept thousands of families safely together by providing in-home therapy and other services, gave hope and help to over 3,000 youth at our children's psychiatric hospitals, and matched nearly 500 children with adoptive families, to name just a few results.

We know that, to truly transform lives and make a national impact, we must be unafraid to think and act differently. To that end, we recently opened the KVC Institute for Health Systems Innovation, a division focused on using neuroscience, technology and evidence-based practices to transform the experience of childhood for all children. From our MyLink™ program that uses iPads and secure video conferencing to connect children in foster care with their therapists, to the thousands we've trained free-of-charge through the NYU/KVC Midwest Trauma Training Center, to the ongoing consultation we provide to other countries and states, we know that KVC's approach is working and our results are getting noticed.

This incredible impact is thanks to you – our partners, donors, foster and adoptive families, and of course, our amazing staff. Thank you for caring deeply about children and families and for channeling that concern toward results by investing in KVC.

Regards,



B. Wayne Sims
Chief Executive Officer
KVC Health Systems



David F. Ball
Chair of the Board
KVC Health Systems

Total Impact

59,638 People's Lives Directly
Touched by KVC Last Year

*plus thousands more children and families indirectly benefited
from KVC training, consultation and best-practice sharing*





Adoption

485 Children Matched with Adoptive Families Last Year

3,129 Total Children Matched with Adoptive Families Since 2005

More than 100,000 U.S. children in foster care are waiting to find permanent, loving families. KVC is finding innovative ways to increase adoptions of children and teens who have been removed from their homes due to abuse, neglect or other challenges, and can't go back.

Our adoption website features bios, photos and videos of children needing a forever family. Short videos give viewers a better sense of the child's unique personality and

are integrated for easy sharing on social media.

We are also increasing the use of technology through our new Interactive Family & Adoption Center, the first and only center of its kind devoted to matching thousands more children in foster care with adoptive families using video recording equipment, teleconferencing and social media.



Meet children in need of a forever family
at adoption.kvc.org.



Foster Care

6,561 Children Supported in
KVC Foster Families

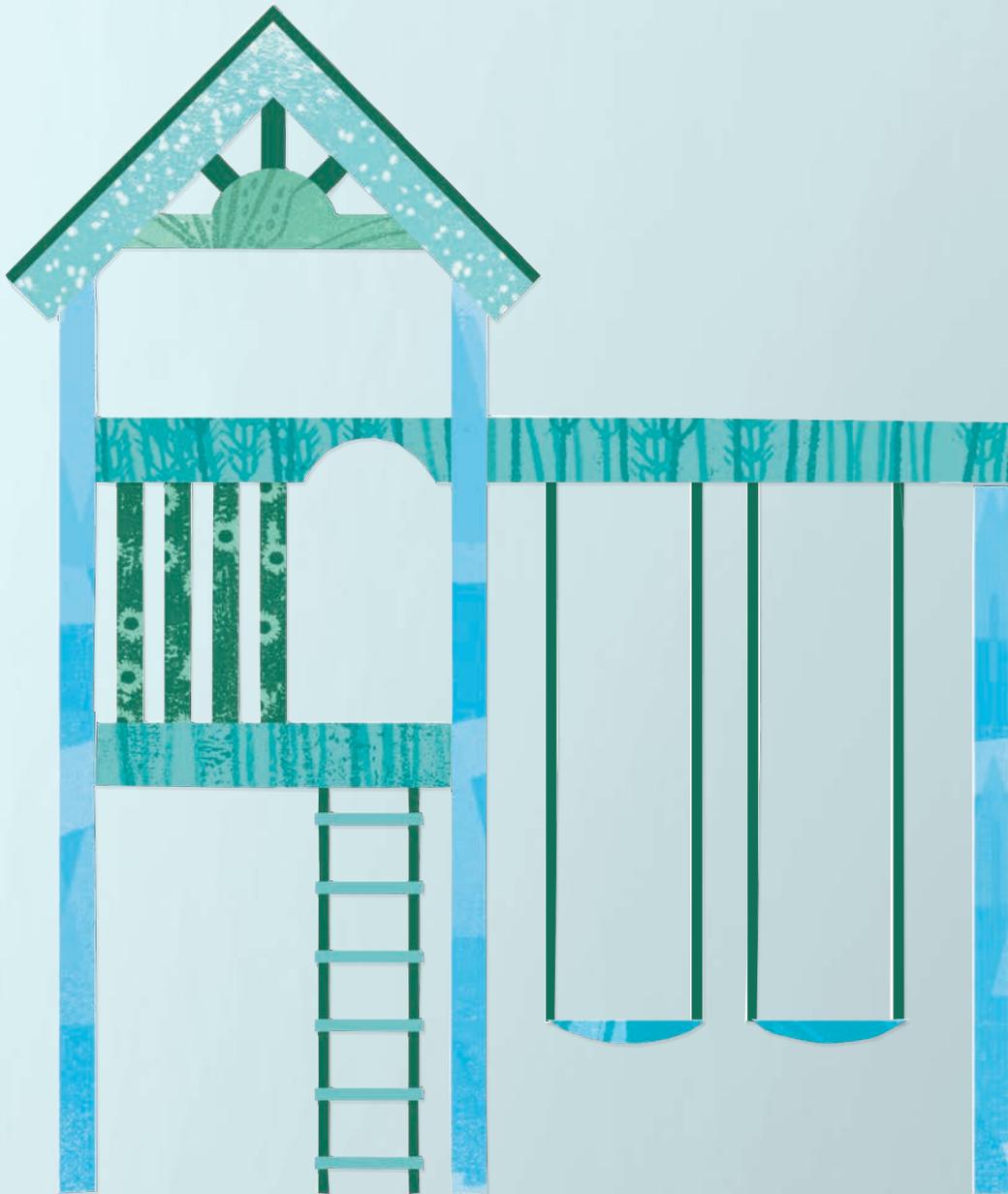
For professionals and caregivers, knowing how to help children in foster care heal from the damaging effects of childhood traumatic stress is paramount. KVC has gained recognition for partnering with New York University's Dr. Glenn Saxe and adapting his Trauma Systems Therapy approach for child welfare staff and foster parents.

This past year, the project took a giant leap forward: The Annie E. Casey Foundation provided funding for KVC to develop a new batch of curriculum that emphasizes interactive, hands-on activities to build the skill set necessary for caring for traumatized children.

KVC is now piloting this training with public child welfare agencies across the U.S. who will, in turn, train relative caregivers and foster parents. The anticipated outcome is that trauma-informed care will give children in foster care a much greater chance for long-term wellbeing.

KVC also received federal grants to expand its MyLink™ telehealth and distance learning program. When fully implemented, youth in more than 1,000 foster families across the U.S. will be equipped with iPads, providing a direct link to behavioral healthcare services such as therapy and ongoing education via video.





In-Home Services

26,638 Children and Families Supported with In-Home Services

Services include intensive family therapy, behavioral healthcare and skill-building support

Research shows that therapy is most effective when provided in the home rather than in an office. In-home treatment allows KVC staff to teach children and parents authentic coping and problem-solving skills and sets KVC apart from other providers.

In Kentucky, the need for behavioral healthcare services increased after more than half a million individuals became newly insured due to Medicaid expansion. “Any willing provider” of mental health services became eligible to serve Medicaid clients, which opened the door for KVC Kentucky to serve these people in their homes. The state also awarded KVC over \$2 million for the large-scale implementation of evidence-based, in-home services to treat adolescents

with substance abuse and co-occurring disorders.

KVC Kansas continued a statewide research program to deliver intensive home-based parent training and support services to families shortly after children were removed from their homes. The Kansas Intensive Permanency Program (KIPP) was developed to saturate the lives of children with serious emotional disturbance and their families with intensive support to greatly increase their chance at reintegration and long-term wellbeing. Early results are promising: significantly more children in treatment families returned home than children in the comparison families.



Children's Psychiatric Hospitals

3,064 Youth Treated at Our Hospitals

9 out of 10 Youth Showed Clinical Improvement in Trauma-Related Symptoms within the First Seven Days

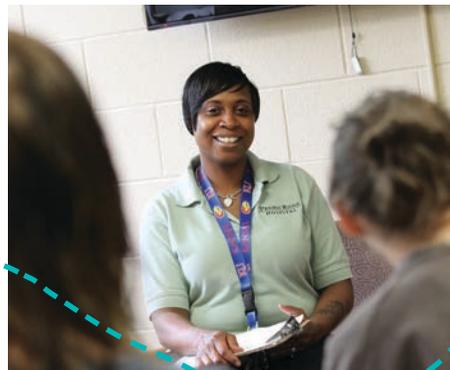
Youth in residential treatment completed treatment and were safely discharged faster (20 days fewer than 2013)

Each year, KVC hospitals serve thousands of children and adolescents who struggle with depression, anxiety, trauma, substance abuse, suicidal thoughts and feelings of violence.

KVC Prairie Ridge Hospital in Kansas City, KS completed the first phase of a three-stage renovation project. Patient waiting areas, visit rooms and an acute children's unit were transformed to enhance the healing nature of the environment for children receiving psychiatric treatment. KVC Prairie Ridge also added a physician in the newly-created role of Director of Integrated Health Services.

Dr. Anh Vinh will focus on combining her expertise as a family physician with KVC's world-renowned behavioral and mental health services.

This year marks the fifth anniversary since KVC Wheatland Hospital opened its doors in western Kansas. As the only children's inpatient provider in the region, KVC Wheatland provides psychiatric inpatient and residential treatment services for a largely rural population of children and adolescents.



Youth in Psychiatric Treatment Experience the Healing Power of Dance

Thanks to a partnership between KVC Hospitals, the Kansas School of Classical Ballet and health information technology leader Netsmart, children and teens receiving psychiatric treatment at KVC Prairie Ridge Hospital learned from professional instructors that dance is a powerful way to express their feelings and discover their strengths.

The program, called Let's MOVE (Motivate Ourselves Via Expression), was designed using the core concepts of KVC's emotion regulation drills, and teaches youth the basics of dance by using rhythm and movement to help build body awareness, focus and control.

"We have a wide range of expressive therapies for youth like animal-assisted therapy, music and play therapy, but this is the first time we've been able to offer dance," said Astra Garner, Director of Client Services and Community Outreach. "For some young people, dance will not only bring healing from very difficult internal struggles but will also ignite a lifelong passion for creativity, art and self-expression."

A preliminary survey shows promising results: 82% of youth who participated in the dance classes reported that they learned to express themselves differently.



Couple Celebrates "O Fish Al" Adoption of Young Boy

Crystal and Paul recently became foster parents with KVC Nebraska. They provided foster care to several children who were ultimately safely reunited home. Their hope was to adopt someday, so they were ecstatic when they were asked to care for 2-year-old Demare. It was not safe for Demare to go home and his parents' rights had been terminated, so they hoped to adopt him. At the last minute, Demare's aunt made the brave decision to care for him. For Crystal and Paul, this was a surprising turn. They were heartbroken but also understood the value of children being with kin whenever possible. They wanted what was best for Demare.

They continued to foster other children when, 8 months later, they received a phone call. The situation with Demare's aunt had fallen through and they were needed to again provide foster care.

When he arrived in their home for the second time, "it was as if time had stopped," Paul said. "He was a little timid, but he remembered our dog, cat and certain toys he had played with."

Again they began the journey to adopt him. The adoption coincided with National Adoption Month in November. They finalized his adoption in court on National Adoption Day - November 22, 2014 - and changed his name to DeMar. Crystal and Paul held a big family party with a fish theme due to DeMar's adoption being "O Fish Al" (official) with PB&J starfish sandwiches and sushi rolls made from rice crispy treats and fruit roll-ups. "It was a day that we will never forget," said Paul. DeMar became their forever child and they are now a family forever!



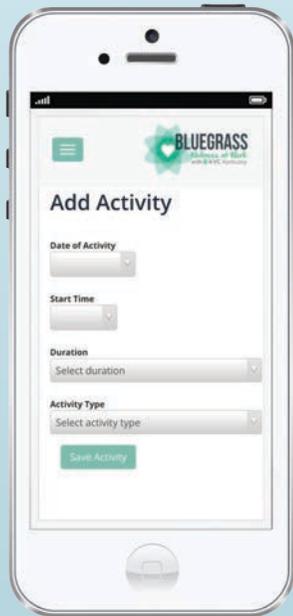
Wellness at Work Leads to Better Work

KVC's Kentucky team is known for finding innovative ways to develop and leverage technology. Perhaps the best example of this is their Bluegrass Wellness at Work fitness competition for businesses in the Lexington, KY area.

For a small fee, companies receive access to the Bluegrass Wellness at Work smartphone app, developed by KVC Kentucky staff, which tracks employees' physical activity. Those companies whose employees

log the most activity win awards and brag-worthy designations like "Healthiest Places to Work."

Proceeds from Bluegrass Wellness at Work benefit children and families served by KVC. Just as importantly, the program shows leaders and employees alike that wellness is important. Taking care of ourselves not only feels good; it also helps us to do the good work of serving others.



"Bluegrass Wellness at Work has been an excellent program. We have participated every year because this program helps participants work on their fitness level and unites our workforce as a team with a common goal. This is a great program for a great cause and we encourage more agencies and companies to participate next year."

-Ruben Perez, Workplace Wellness Coordinator for the Lexington-Fayette County Health Department

Birth Mother Posts a Beautiful Tribute to Foster Parent on Facebook

KVC staff in West Virginia used their Facebook page to honor a foster mother each day in May for Mother's Day and a foster father each day in June for Father's Day.

The Facebook post honoring foster parent Crystal Frame started just like the others. It included her photo and a story of how she provided foster care for an unidentified baby boy who was being transitioned back into the home of his young biological mother.

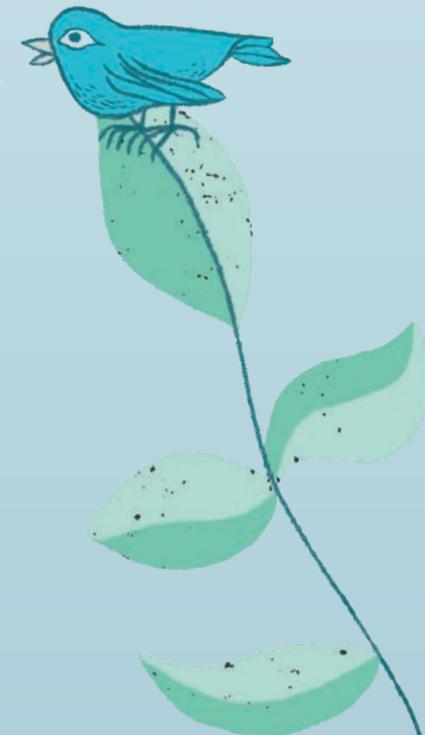
Crystal joined the biological mother for the boy's medical appointments and became a strong support in her life, embodying what it means for a foster parent to be a partner in permanency.

The post received 90 likes, comments and shares and reached nearly 2,000 people. But most moving of all was this unsolicited comment from the birth mother herself:



Foster mother Crystal

"I'm not proud of my past. But I am proud to say, not only did she take great care of my son but she also became my best friend... She helped me move, get settled in, takes us where we need to go, and treats me like a normal person. She says to me, 'I see what you have turned into... and you didn't give up.'" I appreciate her so much that words can't explain. I love you, Crystal. You are my best friend, my kids' other mother and an angel put in my life."



KVC Institute

636 People Trained by the NYU/KVC Midwest Trauma Training Center

7 Countries, States and Other Agencies Received KVC Training and Consultation to Achieve Stronger Outcomes

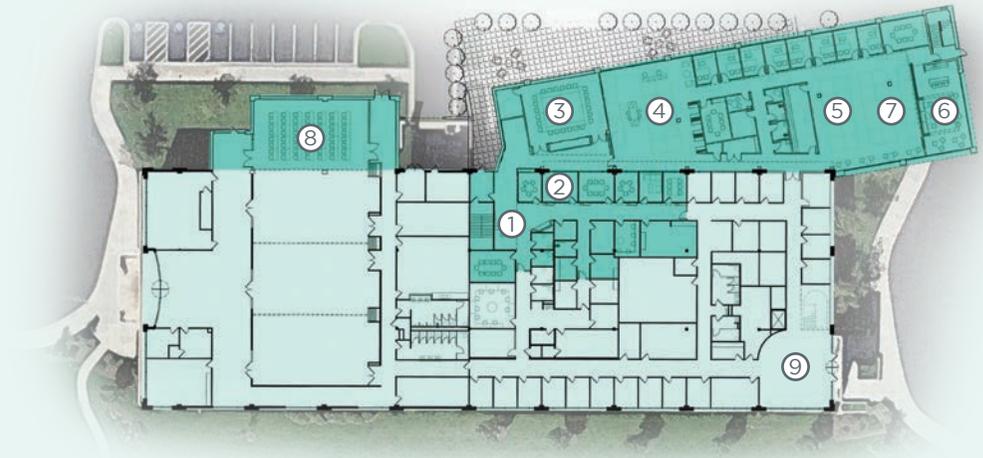
4 Major Research Projects Underway

In May, KVC embarked on a bold new effort to improve child and family wellbeing in the U.S. and abroad. Our Building Families capital campaign resulted in the new KVC Institute for Health Systems Innovation. Its purpose: to expedite the development and implementation of the latest neuroscience, technology and evidence-based practices in order to transform the experience of childhood for all children.

The KVC Sims Family Center in Olathe, KS - named after CEO Wayne Sims on his 35th anniversary in that role - is the hub of the KVC Institute.

Yet the KVC Institute is without walls and is made up of each one of our 1,300 employees nationwide. Key features include state-of-the-art, technology-supported training and simulation rooms for interactive child-parent therapy and education, an Interactive Family & Adoption Center, and an expanded Ball Conference Center to facilitate learning communities.

The KVC Institute offers innovative videos, research publications, articles, and in-person training and consultation to leaders in the fields of child welfare, behavioral healthcare, primary healthcare and juvenile justice.



Expansion

Existing Facility

- 1. Reception Area
- 2. Wellness/Simulation Rooms
- 3. Kelly Interactive Family & Adoption Center
- 4. Strengthening Families
- 5. Ongoing Support for Families

- 6. KVC Cafe
- 7. Case Management & Foster Family Support - 2nd floor
- 8. Ball Conference Center
- 9. Corporate Support Services



Thank you to the Kansas City Royals for hosting children and families at several major league baseball games to raise awareness about the need for foster families. Royals Charities also presented a generous donation to KVC on the field!

Serving Over Half of Kansas’ Most Vulnerable Children and Families

In the Eastern half of Kansas, KVC is the official provider of family preservation, foster care and adoption services. We train and support hundreds of dedicated relatives and foster families as they do the challenging and rewarding work of caring for vulnerable children. Last year, we supported 5,003 Kansas children who had experienced abuse, neglect or other challenges that resulted in their removal from the home.



An equally large and important role for our agency is preventing the need for foster care in the first place. We provided family preservation services to 9,177 children and adults. In most cases, KVC’s in-home support was responsible for keeping families safely together.



Whether a child’s path led toward a safe reintegration or adoption, we provided aftercare treatment—up to a year of ongoing support to keep children safe and stable in their homes.

By the Numbers

9,177

children and families kept safely together via in-home family preservation services

4,270

children and families served with intensive in-home services

5,003

children supported in KVC foster families

368

children matched with adoptive families last year

2,717

children matched with adoptive families since 2005

931

served with outpatient behavioral healthcare

Learn more at www.kvckansas.org



“It’s been exciting to be part of the changing Medicaid landscape in Kentucky and to have the opportunity to impact more children, adults and families.”

—Taylor Judd, Director of Clinical Services and Programming for KVC Kentucky

Providing In-Home Support to Kentucky Families

In Kentucky, KVC helped prevent the need for thousands of children and teenagers to enter foster care by providing skilled support to families in their homes.

We expanded our behavioral healthcare services as nearly half a million Kentuckians gained insurance coverage due to national healthcare reform, and a large grant made it possible for us to help more adolescents with substance abuse treatment.

Our commitment to overcoming barriers to service made it possible for people in desperate situations to receive the help they needed. We conquered transportation, time and child care hurdles by traveling to clients’ homes to provide therapy and connecting via secure video conferencing using our MyLink™ program. Through it all, clients received not only the help they needed but also a strong sense that KVC is committed to their success, no matter what.

By the Numbers

12,183

children and families kept safely together via in-home family preservation services

806

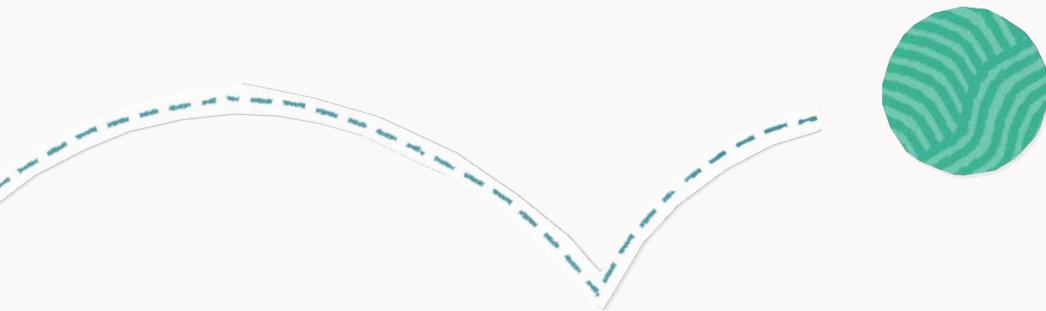
children and adults received critical behavioral healthcare support

75

youth received substance abuse treatment

31

children cared for in foster families



“By promoting trauma-informed care, KVC Nebraska’s capstone project has great potential to benefit Nebraska youth.”

—Shay Bilchik, Director of Georgetown University’s Center for Juvenile Justice Reform

Helping Thousands of Nebraska Youth Feel Safe & Connected

In Nebraska this past year, KVC’s approach to improving foster care began to influence other child and family service providers. Agencies who received support or training on our Safe & Connected™ model—a way of working that enhances information-sharing and critical decision-making—experienced measurable improvements in the safety and stability of children in out-of-home care.



The impact has also reached the juvenile justice community. KVC’s support on caring for youth in the least restrictive environment and integrating trauma-informed care helped a prominent juvenile justice agency reduce its average number of youth in detention by more than 10 percent and significantly increase youth functioning.



These developments mean that KVC Nebraska is not only supporting hundreds of children and youth through foster family care and intensive, in-home services; we’re also leading the charge to improve outcomes for children and families statewide.

By the Numbers

935

young people* supported in KVC foster families

75

children matched with adoptive families

537

clients supported with in-home services

**Nearly 35% percent of children supported in KVC foster families were 13 or older*



Learn more at www.kvcnebraska.org

Supporting West Virginia Children Through Foster Families and Technology

KVC West Virginia recently reached a significant milestone: successfully matching 100 children with adoptive families since beginning adoption work last year. That makes 100 families who are forever changed by love.

We also continued our work as the largest private foster care agency in the state,

caring for nearly 600 children over the course of the year. Being able to provide behavioral healthcare services to children in foster care via our MyLink™ program which uses iPads for secure video conferencing meant that transportation, scheduling, child care and weather challenges were no match for the care our staff could provide.



“My foster parents never gave up on me. They gave me so many chances and kept working with me.”

—Teenage client of KVC West Virginia

By the Numbers

592

children supported in KVC foster families

42

children matched with adoptive families

471

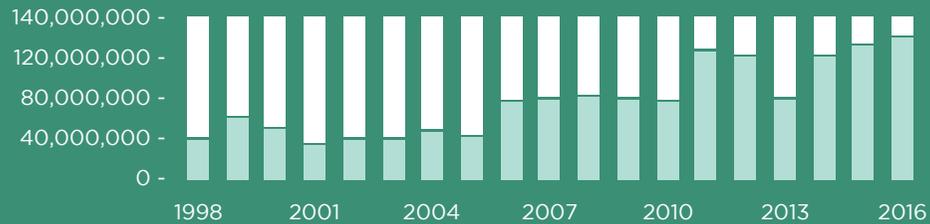
clients supported with in-home therapy services



2015 KVC Financials

OPERATING REVENUE

KVC Health Systems and Subsidiaries



OPERATIONAL EXPENSES

KVC Health Systems and Subsidiaries



Program Expenses



Administrative Expenses

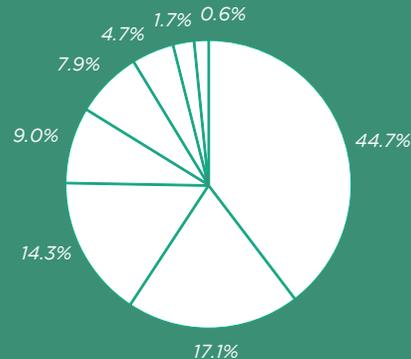


Fundraising Expenses

SOURCES OF OPERATIONAL REVENUE

KVC Health Systems and Subsidiaries

- 44.7% Kansas Permanency Contract
- 17.1% Kansas Child Placing & Family Preservation
- 14.3% Kansas Inpatient Services
- 9.0% Kentucky Services
- 7.9% Nebraska Services
- 4.7% West Virginia Services
- 1.7% Contributions, Grants & Other
- 0.6% Capital Campaign



On behalf of the nearly 60,000 children and families KVC served last year, we sincerely thank the individuals, corporations, foundations and state and federal agencies that give their time and treasure to make a difference.

*Fiscal Year July 1, 2014 - June 30, 2015

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KVC Mission

To enrich and enhance the lives of children and families by providing medical and behavioral healthcare, social services and education.

Become an Everyday Hero

Please continue to support KVC by following us on social media, joining our Everyday Heroes monthly giving program or volunteering through your local KVC office. You can be a part of our efforts to help children and families flourish, because *people matter*.



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